

E-111/GR-91-74 ORDER ACCEPTING FILING AND SUSPENDING RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the
Application of Dakota Electric
Association for Authority to
Increase its Rates for
Electric Service in the State
of Minnesota

ISSUE DATE: April 15, 1991

DOCKET NO. E-111/GR-91-74

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SUSPENDING RATES

PROCEDURAL HISTORY

On February 21, 1991, Dakota Electric Association (Dakota Electric or the Association) filed a petition seeking a general rate increase of \$4,002,777, or 6.03%, effective April 22, 1991. Knowing that the Commission may suspend the proposed rate schedules, the Association also proposed an interim rate schedule, to be effective April 22, 1991. The interim rate request would increase revenues by \$3,963,702, or 6.0% of current retail revenues.

On March 11, 1991, the Department of Public Service (the Department) submitted comments. The Department noted that the Association's filing satisfied filing requirements set by statute and rule, except that the Association had substituted its own ten-year financial forecast for the REA Form 325 required by the rules. On March 18, 1991, the Association submitted REA Form 325. The Department also noted that Dakota Electric had complied procedurally with the requirements stated in the Association's last general rate case, Docket No. E-111/GR-82-228.

The Department recommended that the Commission accept the Association's rate case filing.

The matter came before the Commission on April 2, 1991.

FINDINGS AND CONCLUSIONS

General Finding

The Commission finds that Dakota Electric's filing is sufficient for the purposes of filing a general rate case under Minn. Stat. § 216B.16 (1990) and Minn. Rules, parts 7825.3100 to 7825.4600 (1989).

The filed information will be subject to additional examination and scrutiny during the contested case hearing process which will follow. Acceptance of the filed information does not imply a guarantee of acceptance of the requested rates.

Requirements from the Previous Order

The Order arising from the Company's last general rate case, at Docket No. E-111/GR-82-228, imposed the following additional filing requirements:

1. Dakota Electric must include a cost-based Commercial General Service rate which includes an energy charge for non-demand metered customers which is higher than the energy charge for demand metered customers and a demand charge for demand metered customers which applied to the first 10 Kw of consumption; and

2. Dakota Electric must include a report to the Commission summarizing the effectiveness of the experimental time-of-day rates implemented by the Association.

The Commission finds that Dakota Electric has reasonably satisfied these requirements in this filing.

Contested Case Proceeding and Interim Rates

By separate Order the Commission has found that contested case proceedings are necessary for adequate examination of the Association's rate increase proposal. See NOTICE AND ORDER FOR HEARING entered in this docket on this date. During the contested case proceeding the Commission may require Dakota Electric to produce additional information within ten days of service of any information request by the Department or any other party.

Under Minn. Stat. § 216B.16, subds. 1 and 2 (1990), the rates proposed by the Association become effective 60 days from filing, unless they are suspended by the Commission. The Commission finds that it cannot resolve all issues regarding the reasonableness of the proposed rates within this 60 day period and that the public interest requires suspension. The Commission will establish interim rates for the suspension period, under Minn. Stat. § 216B.16, subd. 3 (1990), by separate Order.

ORDER

1. The February 21, 1991 rate increase petition of Dakota Electric Association is accepted as sufficient for the purposes of filing a general rate case under Minn. Stat. § 216B.16 (1990) and Minn. Rules, parts 7825.3100 to 7825.4600 (1989).

2. The Department of Public Service shall conduct an investigation into the reasonableness of the rate changes proposed by the Company.
3. All parties to this proceeding may serve information requests on any other party. Information requests shall be answered within ten days of receipt.
4. The operation of the proposed rate schedule is suspended under Minn. Stat. § 216B.16, subd. 2 (1990), until the Commission has issued a final determination in the matter.
5. The Association shall give written notice, as approved by the Commission, of the proposed change in rates to the governing body of each municipality and county in the area affected and shall submit an affidavit of such service to the Commission within 45 days of the service date of this Order.
6. The Association shall give individual written notice to all customers (including contract customers) of the proposed increase. This customer notice shall be included as an insert in the first bill rendered after the effective date of the interim rates as set by future Commission Order. The Association shall submit the proposed notice, and any other billing inserts proposed for the billing cycle, for prior Commission approval.
7. The Commission authorizes the Executive Secretary to enter Orders on behalf of the Commission varying time requirements for the filing of pleadings and other documents and determining the conduct of this proceeding, according to the standards set forth in Minn. Rules, part 7830.4400 (1989). Any party adversely affected by such an Order shall file a motion for reconsideration, vacation, or modification, no later than ten days from the date of its entry or one day before any filing deadline or occurrence of an act directed in such Order. Such motions will be heard by the Commission.
8. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)